

OFFICIAL

Effective: May 15, 1987

4.19D
ICF/MR
Supplement 7

STATE OF MINNESOTA

Background:

Overpayments to Prior Owners

1987 Session Laws amended Minnesota Statutes 256B.0641 to add language which requires the current owner of a intermediate care facility for the mentally retarded to be responsible for debts to M.A. of the prior owners.

The bill is only applicable to ownership transfers on or after May 15, 1987.

State Plan Effect:

The implementation of this law does not result in a significant change to the methods or standards for determining payment rates to intermediate care facilities for the mentally retarded. Payments to facilities continue to be subject to all provisions of the rule as specified in the state plan. The net effect is simply to reduce the difficulty in recovering debts to MA and it is anticipated that the new owners will protect their interest through the sales contract with the prior owner.

Amended Statute:

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1986, section 256B.0641, is amended by adding a subdivision to read:

Subd. 2. [OVERPAYMENTS TO PRIOR OWNERS.] The current owner of a nursing home, boarding care home, or intermediate care facility for persons with mental retardation or a related condition is liable for the overpayment amount owed by a former owner for any facility sold, transferred, or reorganized after the effective date of this section. Within 12 months of a written request by the current owner, the commissioner shall conduct a field audit of the facility for the auditable rate years during which the former owner owned the facility and issue a report of the field audit within 15 months of the written request. Nothing in this subdivision limits the liability of a former owner.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

HCFA-179 # 87-24 Date Rec'd June 29, 1987
Supercedes NONE Date Appr. 11/27/87
State Rep. In. 1.2 Date Eff. April 1, 1987

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